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FORMER EXECUTIVE ASSISTANT AT POVERTY POINT RESERVOIR DISTRICT PLEADS GUILTY IN FEDERAL COURT

Defendant embezzled money from Poverty Point over 5 year period

Monroe, Louisiana . . . United States Attorney Donald W. Washington announced that **KATHY CLEVELAND**, age 55, of Epps, Louisiana, pleaded guilty yesterday before United States Magistrate Judge Karen L. Hayes to embezzlement.

A bill of information was filed February 14, 2007 charging CLEVELAND with one count of bank fraud stemming from an investigation into the theft of funds from the Poverty Point Reservoir District ("PPRD"). The PPRD is a state-operated board which oversees the development of the Poverty Point Reservoir in Richland Parish, Louisiana.

Testimony at the hearing established that beginning in November 2000 and continuing until September 2005, while employed as the Executive Administrative Assistant and Bookkeeper of PPRD, CLEVELAND devised a scheme to defraud and to obtain monies by false representations which were under the control of AmSouth Bank. It was revealed that only the Executive Director and President of the Board had signature authority on the bank account, but in order to carry out her scheme to defraud the PPRD out

of funds, CLEVELAND forged the name of the President on numerous checks. CLEVELAND wrote checks to petty cash, as well as checks to herself for alleged reimbursement for mileage, meals, office supplies and other expenses to which she was not entitled and used these funds for her own personal benefit. CLEVELAND also wrote checks to her husband for money to which he was not entitled by forging the checks and then created false invoices in an attempt to support the payments.

CLEVELAND faces a sentence of up to 30 years in prison, a \$1 million fine, or both. The sentencing date for CLEVELAND is July 9, 2007. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

This case was investigated by the Federal Bureau of Investigation, Monroe Resident Agency, and the Richland Parish Sheriff's Office, and is being prosecuted by Assistant U.S. Attorney C. Mignonne Griffing.

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